

The [Alternative Minimum Tax](#) (AMT) was introduced in 1969 to ensure that 155 high-income households paid their fair share of taxes. Because of the way the legislation was written, it now ensnares a large number of middle class families.

The AMT was never indexed for inflation. When you add the cost of inflation, compounded with increased deduction and exemption amounts, particularly from high CA state and local taxes, the AMT has become increasingly painful for many residents of our District. In fact, the 15th Congressional District of California is among the 25 districts that face the hardest impact from the AMT. In 2005, over 24,000 households in our district were affected. In 2007, the numbers were projected to increase 312% to nearly 100,000 homes.

On Wednesday, Congress passed a bill to prevent the AMT from impacting even more families – a projected 23 million additional families across the nation. The bill would extend AMT relief for one year for nonrefundable personal credits and increases the AMT exemption amount to \$66,250 for joint filers and \$44,350 for individuals.

Earlier in the year, the House voted to protect middle class taxpayers in a fiscally responsible way. President Bush, with the assistance of Republicans in the Senate, blocked our efforts to use pay-as-you-go (Pay Go) budget practices in fixing the AMT. We had planned on paying for the loss in revenue by closing tax loopholes for the wealthiest Americans, but the President and Senate Republicans promised to block the bill if that provision was included.

For the benefit of many of the residents of our 15th District, I decided that imperfect legislation was better than none at all. While I would have preferred a more fiscally responsible (and permanent
) way of reducing the impact of AMT, I supported passage of H.R. 3996, the Tax Increase Prevention Act.